

**MINUTES OF THE REGULAR MEETING OF
THE MINNEHAHA CREEK WATERSHED DISTRICT
BOARD OF MANAGERS**

February 23, 2017

CALL TO ORDER

The regular meeting of the Minnehaha Creek Watershed District Board of Managers was called to order by President Sherry White at 6:50 p.m. on February 23, 2017, at the MCWD offices, 15320 Minnetonka Boulevard, Minnetonka, Minnesota.

MANAGERS PRESENT

Sherry White, Brian Shekleton, Richard Miller, Bill Becker, William Olson, Kurt Rogness.

MANAGER ABSENT

Pamela Blixt.

DISTRICT STAFF AND CONSULTANTS PRESENT

Lars Erdahl, Administrator; Anna Brown, Planner-Project Manager; Laura Domyancich, Project and Land Technician; Michael Hayman, Planner-Project Manager; David Mandt, Operations and Support Services Director; Katherine Sylvia, Permitting Program Lead; Tiffany Schaufler, Project and Land Program Manager; James Wisker, Planning and Project Director; Chris Meehan, Engineer; Michael Welch, Counsel.

MATTERS FROM THE FLOOR

None.

APPROVAL OF AGENDA

Manager White stated that the report on the retreat at 8.1 could be deleted since it has already been provided and recommended that the Wasserman West property acquisition public hearing be moved to after the discussion of permit 16-221 for the Metropolitan Council Greenline Light Rail Extension. She also recommended that the closed session on the administrator's review be moved to after the administrator's report. *Manager Shekleton moved and Manager Miller seconded approval of the agenda as amended. Upon vote, the motion carried 6-0.*

CONSENT AGENDA

Manager Rogness moved and Manager Olson seconded approval of the consent agenda, consisting of approval of the February 2, 2017, retreat minutes and the February 9, 2017, workshop meeting minutes; approval of the general checking account, checks numbered 37291 to 38067 (37293 to 37999 and 38027 voided) for a total of \$258,790.71, payroll direct deposits of \$140,433.66 and ACH withdrawals of \$36,897.54 for total expenses of \$436,121.91, and surety account check registers, as well as acceptance of the 325 Blake Road checking account; and adoption of the following:

Resolution 17-010: Approval of the City of Hopkins Regional Stormwater Plan for the stormwater facility at Cottageville Park and approval of an easement affording Hopkins all rights necessary to meet its inspection and maintenance obligations for the Cottageville Park stormwater management system.

NOW, THEREFORE, BE IT RESOLVED that the MCWD Board of Managers hereby approves Hopkins Regional Stormwater Plan for the stormwater facility at Cottageville Park pursuant to MCWD Stormwater Rule, paragraph 7.

BE IT FURTHER RESOLVED that the MCWD Board of Managers authorizes the Board President to execute the proposed easement, with any non-substantive changes and on advice of counsel, affording Hopkins the rights necessary to meet its inspection and maintenance obligations pursuant to the Cooperative Agreement between MCWD and the City of Hopkins Cottageville Park Stormwater Management and Park Improvement Project as amended.

Upon vote, the motion carried 6-0.

REGULAR AGENDA

Board, Committee and Taskforce Report

President White reported that she encouraged everyone to attend the March 8 State of the River presentation in Wayzata.

Manager Miller said that the minutes of past meetings of the Policy and Planning Committee have been complete and accurate and he expects that the minutes of the meeting this evening will be the same.

Manager White stated that the upcoming events schedule in the agenda is accurate and she encourages all to reference it.

Permit 16-221: Metropolitan Council Green Line Light Rail Extension

Katherine Sylvia presented the staff report on the application from the Metropolitan Council for five miles of freight rail, light rail and trail construction within the Minnehaha Creek Watershed District. She said the project also includes six stations and three park and ride lots. Under existing conditions, she stated, no stormwater treatment is provided for runoff from the light rail corridor. She said that the project will include stormwater treatment providing a total of 194,500 cubic feet of abstraction and a 70 percent reduction in phosphorus loading per year. She noted that the application has been segmented into seven subwatershed-based segments, and that she will review compliance with the District rules segment by segment after some overall analysis.

Ms. Sylvia stated that the stormwater pollution prevention plan for the project includes stabilization measures necessary to meet the MCWD Erosion and Sediment Control Rule, noting the District does not exercise authority to regulate erosion control in St. Louis Park, so the city will need to review and approve the plan within its jurisdiction. The District is the Wetland Conservation Act Local Government Unit for the entirety of the project within the watershed, but no draining or filling of wetland is proposed. There is wetland on one property to which the buffer requirements of District Wetland Protection Rule would apply, but the applicant has only temporary property rights and cannot provide buffer. Otherwise, the project corridor at this location is subject to the District interpretive policy of not requiring buffer adjacent to a wetland if the wetland is not on the property.

With regard to the Stormwater Management Rule, she said that the track and station elements of the project that will be constructed within right of way were analyzed under the framework for linear redevelopment projects in the rule, while the redevelopment framework was applied to the proposed park-and-ride lots. Within each segment, stormwater treatment was evaluated at the immediate discharge points as well as the downstream water resource. The Project meets these requirements at both points. The Project does not propose enclosed structures within the watershed, so the section 3(e) two-foot freeboard criterion of the rule was not applied to the Project. Ms. Sylvia also summarized compliance with the District bounce and inundation criteria under section 8 of the rule for the entire project. She said there is one new discharge point to the creek, and runoff is treated prior to discharge to the creek. She noted that the rule requires that for linear reconstruction projects resulting in an increase of impervious surface by more than one acre, the project must provide phosphorus, rate and abstraction for the new impervious surface. Because the linear work creates more than an acre of new impervious within each segment, the three criteria apply to each segment.

Ms. Sylvia then provided a segment-by-segment analysis of compliance with MCWD regulatory requirements, reviewing and supplementing the staff report. She noted that segment E2-1 in St Louis Park involves discharge to a pond, but because it is a constructed stormwater treatment basin, not a natural basin, the bounce and inundation standards in the District stormwater rule do not apply. Ms. Sylvia noted that the redevelopment in the right of way must maintain runoff rates leaving the site for the one-, 10- and 100-year storm events, existing rates are reduced at all downgradient boundaries, except that at one point, where water is directed to Louisiana Avenue from the West, there is an rate increase in the 100-year runoff rate from 19.0 cubic feet per second to 19.2 cfs. The rate is shown as a 0.2 increase within the Hydrocad model for the catchment, but in actuality, on the ground, the 0.2 increase takes place over a span of approximately 1,500 linear feet. As the water runs off the site perpendicular to the light-rail line, it sheet flows to adjacent properties. The actual rate increase for each property would be approximately 0.01-0.03 cfs, which the MCWD engineer has found to be within the modeling margin of error and cannot be reliably measured, Ms. Sylvia said.

In segment E2-3 in St. Louis Park, as for the project as a whole, MCWD has segregated the project into linear and redevelopment areas. For the Beltline Park and Ride in this segment, though, the park-and-ride redevelopment properties are directly adjacent to the associated linear portion of the project. Also, importantly, the linear portion is within the same catchment area and is suited to infiltration, whereas, Ms. Sylvia explained, contamination at the park-and-ride properties precludes infiltration. All told, the properties exceed an acre in size, and the project calls for an increase of impervious surface and a disturbance of more than 40 percent of the site. Therefore phosphorus control, rate control and abstraction must be provided for all impervious surface on this site. The redevelopment of the lot will result in a total of 2.3 acres of impervious surface, she explained. Rate control will be provided by a subsurface holding chamber, which is directed to an existing 72-inch trunk line discharging to Bass Lake. The applicant has demonstrated that high groundwater and contamination at the park-and-ride site preclude abstraction. The applicant has demonstrated, though, that in accordance with 3(c)(2) of the rule, the stormwater BMPs on the linear right-of-way adjacent to the park and ride, discharge from which is also directed to the 72-inch trunk line, will provide 46,680-cubic feet of abstraction – exceeding the combined abstraction requirement for the park and ride and the linear portion of the project in this segment. She explained that the applicant has also demonstrated through a Minimal Impact Design analysis that the BMPs in the right of way provide 8.61 pounds of phosphorus removal per year, more than the 4.92 pounds required by the rule. She said that staff and engineer find that because the Beltline properties and associated linear right of way are contiguous, and the properties are all within the same catchment area and the treatment thereof protects a common downgradient resource, application of the analytical framework in paragraph 3(c)2 to the

two areas in aggregate at this location represents a fully protective application of paragraph 3(c)2.

Ms. Sylvia reviewed compliance in segment E3-1 in St. Louis Park and Minneapolis, which includes the south portal and 950 feet of the proposed 2,590-foot tunnel carrying the light rail line. The stormwater management plan for this segment and segment E3-2 provides management of water that collects within the tunnel – both stormwater and groundwater that may seep into the tunnel. Chris Meehan added that water that is collected within the tracks of the tunnel will be routed to sanitary sewer. Water that collects from the waterproofing system as well as the tunnel portals will be directed to the stormwater management system for the project. Stormwater will either be filtered, or infiltrated and directed back into the surface water system.

Ms. Sylvia continued, explaining that segment E3-2 uniquely triggers the MCWD Floodplain Alteration Rule because the placement of new piers within the Kenilworth Channel for the reconstruction of the crossings planned for the project involved fill below the 100-year flood elevation. The rule requires flood-storage compensation for any fill that decreases the flood storage of a waterbody, but because the existing piers will be removed, the crossing will result in a net increase of flood storage capacity of 1 cubic yard. The rule also prohibits new impervious surface within the 10-year floodplain or within 25 feet of centerline of a watercourse, but no new impervious is proposed and linear projects are exempt from this criterion. Analysis under the MCWD Shoreline and Streambank Stabilization Rule is also required because one portion of the Works Progress Administration walls along the channel will be dismantled. The applicant proposes, though, to salvage the materials and replace the wall with the existing material within the existing footprint. This is an in-like and in-kind replacement that is exempt from the rule requirements.

Ms. Sylvia reviewed rule compliance for segment E3-3 in Minneapolis, the final segment in the watershed, then moved on to providing an overview of the comments received by the District on the project and staff's responses to the comments, as provided in the packet for the meeting. She reported that the District posted on its website a comment-solicitation feature that allowed visitors to provide comments on a particular segment or on the project generally. She stated that the District received 19 comments from seven individuals. Ms. Sylvia stated that one resident had articulated a concern regarding the potential for stormwater to back up in a ditch adjacent to his property in a particular location along the project right of way. Ms. Sylvia displayed a graphic showing the area in question and noted proposed and existing flood-flow elevations in the ditch. She stated that when the project is completed the right of way will drain less runoff to the ditch than under existing conditions and storm drains will be constructed in the right of way as well.

She stated that at the completion of the project the elevations at the two locations the District analyzed will be lowered.

Ms. Sylvia stated that the District received a number of comments stating a general concern about impact to water resources from the project. She said that the District reviewed the project in detail against the criteria in the applicable District rules to ensure that there is no degradation of resources to the extent provided by the rules. She said specific comments were also received regarding groundwater contamination and the effects of the tunnel in the Kenilworth Corridor on groundwater movement and the health of surface waters. She stated that in 2013 the District engineer, in response to a request from Metropolitan Council, produced a report on a preliminary design for the Kenilworth tunnel that noted no serious concern for interference with groundwater movement or migration of contamination from the project. She stated that two subsequent studies – by Burns and McDonnell and Barr Engineering – produced results and conclusions consistent with the District report. She stated that with regard to contaminated properties along the light rail line and at locations where park and rides are planned, Metropolitan Council has applied for and received approval of a response action plan and construction contingency plan to ensure that redevelopment will not exacerbate contamination.

Specifically with regard to water seeping and draining into the tunnel she noted that the plans for the project show that water that comes into contact with the tracks inside the tunnel would be pumped out and discharged to the sanitary system while seepage into the tunnel will be routed to the stormwater management system. She stated that in areas of contamination, only filtration in lined basins will be allowed to prevent mobilization of contamination. She stated that the stormwater management system has been designed in conjunction with a phase II environmental site assessment that was conducted by the Metropolitan Council. Finally, she noted that several commenters had argued that the District has a conflict of interest because the District owns land at 325 Blake Road along the light rail line, as well as the fact that some managers are appointed by the Hennepin County Board of Commissioners. She stated that in purchasing and planning for stormwater management facilities and creek restoration along the Cold Storage property, the District was pursuing its mission and public purposes, and acting within its statutory authority to pursue an opportunity to treat stormwater from a large upgradient subwatershed. Within reviewing and issuing a permit for the project, again, the District is acting in accordance with its statutory authority and responsibilities. MCWD is obligated to analyze the application and make a permitting determination, and notably the District submits its own projects to permitting requirements. She said no manager has a unique financial or personal interest in the project.

Ms. Sylvia outlined her recommendations for approval of the permit, noting that the recommendation includes approval of permits only for segments as Met Council completes and submits to the District documentation of acquisition of all necessary land rights to undertake work in that segment. Staff also recommends a valid period extending

Minutes of the Regular Meeting
Minnehaha Creek Watershed District
Board of Managers
2-23-2017

to December 2021, and delegation of authority the administrator to approve modifications of the permit approval for the project when plans change in a manner that does not raise a variance or require a policy determination.

Manager White asked whether attendees representing the applicant Metropolitan Council had any comments. Jim Alexander from the Metropolitan Council stated that he had nothing to add to staff's presentation.

Manager White opened the floor to comments from attendees. Susu Jeffery, 1063 Antoinette in Minneapolis, noted that she lives in the blast zone and distributed a picture of tunnel construction in the City of St. Louis. She commented on the project broadly, and stated that the managers should be leery of a conflict of interest.

Mary Paddock, 272 Dean Parkway, Minneapolis, appeared before the managers and stated that she represents 500 people who are members of the LRT Done Right organization. She stated that she and her fellow members are deeply concerned about the Chain of Lakes and groundwater in the area and noted that there are discussions on the record in public meetings of the managers expressing concern with regard to value of the Cold Storage property being affected by the light rail project. She stated that the District should carefully consider how to avoid appearance of conflict of interest. She stated that the group she represents has no issues with an individual manager having a conflict but rather noted that the District itself has the conflict and urged that the District recuse itself from the decision in favor of another agency.

David Wenger, 7807 Edgebrook, St. Louis Park, appeared before the managers and noted that the information provided by Katherine Sylvia with regard to the ditch running between his property and the light rail line was very helpful but didn't account for changes that the city has made to the drainage area. He stated that the city rerouted stormwater in the area, perhaps without MCWD approval, and pointed out on a map that Ms. Sylvia displayed areas that represent catchment basins adjacent to his property. He stated that the city work has caused flooding on his neighbor's property and the LRT project will involve increasing flow to a settling pond that does not have capacity to handle it. He stated that the LRT project will go on top of the settling pond, creating less space for drainage flow and that water levels will be increased in a manner that has potential to cause damage to his property and others. He suggested that an emergency spillway or two be added to the project design to deal with overflow.

Bob Again Carney, 4232 Colfax, Minneapolis, appeared before the Board of Managers and said he was appalled by the conflict of interest present in the District's making the permitting decision before it this evening. He said that he reviewed the recording of the prior meeting at which the risk to the value of the Cold Storage property was discussed and stated that Manager Miller had on that tape described loss of value as a potential disaster. He also asked why the District did not have representation on the planning unit

for Southwest Light Rail. He stated that his understanding was that the legislative auditor is looking into the operation of watershed districts and he supports that effort.

Jeanette Colby, 2218 Sheridan Avenue South, Minneapolis, stated that she wanted to ensure that the managers are aware that the public's level of trust in the Southwest Light Rail project is very low because serious mistakes have been made in planning and designing the project. She stated that most citizens are not in the position to hire a civil engineer to review the plans and provide comments informed by such a review but she urged the managers to exercise great care in making a determination on the permit in light of the environment she describes.

Seeing no further commenters, Manager White closed the public comment portion of the review. ***Manager Miller moved and Miller Rogness seconded approval of Permit 16-221 on the terms and conditions outlined in the staff memo.*** In response to a question from Manager Shekleton, Mr. Meehan reviewed flow conditions from the portion of the light rail line adjacent to the Cold Storage property, distinguishing flow to the Cold Storage property as opposed to the storm sewer in the area. In response to further questions from Manager Shekleton with regard to segment E2-3 of the project, staff explained that abstraction would be provided to meet the District rules in this stretch through best management practices in the right of way and that the rate of flow from the project site would be decreased through oversized filtration basins in the right of way. Mr. Meehan explained the operation of the stormwater system in this area.

In response to a question from Manager Olson regarding the arrangement of project analysis within the Kenilworth area, Mr. Meehan explained that only the walking trail is over the light rail tunnel; the freight line is on the surface but adjacent to the trail. Mr. Meehan provided further clarification in response to a question from Manager Olson with regard to the number of bridges that will be provided for Section E1-3, affirming that the light rail line will be directly adjacent to next-door properties to facilitate access to the light rail.

In response to an inquiry from Manager Miller to ensure that the record includes a review of the reasons the District purchased the Cold Storage property, James Wisker appeared and reviewed the supporting information and plans for the property and area. With a graphic representation of the catchment areas around the Cold Storage property, Mr. Wisker discussed the District purchase of the Cold Storage property and the hoped-for benefits for stormwater treatment and creek stabilization. He emphasized that the property is within and adjacent to one of the most degraded stretches of Minnehaha Creek and one that has the highest pollutant loading of any stretch on the creek. He stated that this is clearly the area where the District should have its highest priority for stormwater treatment efforts. He stated that when the opportunity to purchase this property came to the District it was clearly justified by the opportunities to improve runoff to the creek for 260 acres upgradient that drains through a 60-inch pipe that drains to the creek untreated.

Mr. Wisker also stated that the District does not need all 17 acres of the Cold Storage property to accomplish its mission and goals for the property so that it will put some portion of the property back on the market, proceeds of which will benefit the public. He stated that the District generally has a very long track record of acquiring properties for the purposes of water resource protection. Manager Miller in particular thanked Mr. Wisker for his presentation. Manager White declined an offer from Mr. Carney to deliver a rebuttal. *Upon vote the motion carried 6-0.*

Public Hearing: Wasserman West Property Acquisition

Anna Brown presented background on the proposed purchase of two properties in Victoria with property identification numbers 65-023-0600 and 65-023-0700. Ms. Brown noted that the District is charged with conducting a public hearing to gather input prior to ordering the purchase of the properties pursuant to Minnesota Statutes section 103B.251. She stated that the properties have shoreline on Lake Wasserman to the east and slightly north, and that the lake is impaired and within a high priority for the District work in coordination with the city. She explained that as discussed in the meeting of January 12, the property is one of the last undeveloped parcels on Wasserman Lake. She noted that it offers a diverse habitat and vegetation, and has very unique ridgeline running through it.

With regard to the project opportunity for the District on the property, she described the transaction framework with the property owner and the city, which calls for the District to execute a purchase agreement with contingencies for completing due diligence, including survey, title work and a phase I environmental site assessment, meaning developing a preliminary concept plan with the city including environmental restoration, phosphorus-loading treatment and public access, then executing the cooperative agreement to secure city support for the acquisition and establish a framework for collaborative ownership and management of the property. Ms. Brown indicated that the resolution authorizes the purchase at a cost not to exceed \$875,000. Ms. Brown stated that the contingency period runs through May 16, 2017, so she expects to return to the Board of Managers with a cooperative agreement prior to the scheduled closing date of June 16.

Manager White noted that the public hearing is open and asked if there were any in attendance who wish to comment on the project. Seeing none, Ms. Brown presented letters of support the District has received from both the City of Victoria and the Wasserman Lake Association. Manager White closed the public hearing.

Contract with Corporate Technologies for Managed Services

David Mandt appeared before the Board of Managers and provided background on the termination of Imagine IT as the District's computer technology managed services provider. He stated that at the end of the year the District received notification from

Imagine IT that it would no longer be able to provide such services for the District, at which point District engaged Corporate Technologies, which had been the second preferred provider in the District's request for qualifications process last spring. He stated that the administrator entered a transition agreement within his delegated authority to provide transition services and Mr. Mandt is convinced that Corporate Technologies can provide the services that the District requires. He stated that the annual budget for information technology services is \$54,000 and the resolution in the managers' packet proposes authorization of a contract in that amount with further authority to the administrator to add services as necessary up to 10 percent of the contract amount.

Manager Rogness moved and Manager Shekleton seconded adoption of Resolution 17-011.

In response to question from Manager Shekleton as to how this agreement and the services provided by Corporate Technologies fit into the District's long-term technology plans, Mr. Mandt stated that the proposed contract would fulfill the term of the request for qualifications that the District conducted last spring. He stated that that effort was designed to provide the District with a secure and reliable computing platform, and a relationship with a technology service provider that could provide strategic planning services so the District could, for example, upgrade to a Microsoft 365-based system and build a three- to five-year plan for technology. Manager Shekleton asked how the agreement with Corporate Technologies fits into the District's plans for integrating geographic information systems technology into its systems, contact management and seamless communications across departments. Mr. Mandt stated that the managed service provider provides the support the District needs to fulfill those goals. He stated one of the most important elements is a backup system and right now District staff is providing backup itself or doing without. Manager Olson noted his support for the District moving to Microsoft 365 for a very stable yet dynamic computing platform.

Lars Erdahl noted that the strategic guidance element of the service provider contract was included in the request for qualifications last spring and that the District has found it difficult to find a match with a provider who can provide such services. Mr. Mandt stated that the District has gained significant experience in working with managed service providers and staff wants to make sure that it is in control of its computing systems. He noted that the District has far too much data stored on its system and there is a need to reduce that amount and define what needs to be archived and what needs to be backed up on a regular basis. In response to a question from Manager Shekleton, Mr. Mandt stated that the approval of the agreement with Corporate Technologies will not empower the managed service provider to swap out the District's hardware. Mr. Mandt noted that because of budget tightening the District is moving to a five-year replacement plan for its computer technology as opposed to the three- to five-year timeframe that was the goal of the technology plan the District worked on last year. ***Upon vote the motion carried, 5-0. (Manager Miller absent for the vote.)***

Agreement with Great River Greening for Invasive Species Removal and Vegetation Restoration

Laura Domyancich appeared before the Board of Managers to provide background on the proposed agreement with Great River Greening to provide invasive species removal and vegetation restoration at the District's Painter Creek and Mud Lake properties. Ms. Domyancich indicated that the present contract for not to exceed \$30,000 continues the relationship with Great River Greening that has been extremely successful for the District. She added that the organization has received funding from the Environment and Natural Resources Trust Fund for cost-share funding that allows it to work with landowners and easement holders on such projects. ***Manager Olson moved and Manager Miller seconded adoption of Resolution 17-013, authorizing the administrator to enter into an agreement with Great River Greening to perform invasive species removal at the Minnehaha Creek Preserve and to supply the local cost share element for that work, not to exceed \$30,000.*** In response to a question from Manager Becker, Ms. Domyancich stated that reed canary grass can survive five to six years in the seed bed but it spreads as biomass much more quickly. She stated that the work that will be undertaken by Great River Greening will include removal of reed canary grass biomass. ***Upon vote, the motion carried 5-0. (Manager Shekleton absent for the vote.)***

Contract for Vegetation Maintenance

Ms. Domyancich presented a proposed contract with Minnesota Native Landscapes for vegetative management at Minnehaha Preserve, Six Mile Marsh Prairie and the Stieger Wetland Restoration property. Ms. Domyancich indicated that the District solicited proposals for the work and received responses from four entities. Minnesota Native Landscape submitted the low quote of \$73,940. She stated that staff recommends that the District enter the contract with Minnesota Native Landscape for the work. In response to a question from Manager Miller, Ms. Domyancich indicated that after the original restoration of the wetland at Stieger Lake, the contractor expanded the channel to create a flatter flow path into the restored wetland to address the erosion issues created by the original construction. She stated the contractor also repaired the weir at this site. ***Manager Olson moved and Manager Rogness seconded adoption of Resolution 17-013 authorizing the administrator on advice of counsel to enter into a contract with Minnesota Native Landscapes for not to exceed \$73,940 for maintenance work at the Minnehaha Preserve, Six Mile Marsh Prairie and Stieger Wetland Restoration, authorizing a budget not to exceed \$81,344 for the work and authorizing the administrator to execute change orders obligating the District up to that amount. Upon vote, the motion carried 6-0.***

Contract with Wenck Associations and LHB for Final Plan Drafting and Graphic Services

Michael Hayman provided the Board of Managers with a report on additional work needed on the District's 10-year management plan update and a proposed contract with Wenck Associates for final subwatershed plan drafting and GIS data transmittals and with LHB cooperation for design layout, graphics, mapping and final document production. Mr. Hayman stated that this scope of work will provide for a plan that is not only effective for statutory purposes but also is compelling-looking and user-friendly. ***Manager Miller moved and Manager Becker seconded adoption of Resolution 17-015, authorizing the administrator to enter an agreement with Wenck Associates for drafting and GIS assistance with comprehensive plan for not to exceed \$13,200 and authorizing the administrator to execute an agreement with LHB for design layout, graphic, mapping and final document production for not to exceed \$56,650.*** In response to a question from Manager Olson, Mr. Hayman stated that the amounts proposed for the contracts are in fact under budget and this reduction was achieved by scaling back some of the Six Mile work and through budget consciousness exercised by staff in producing the plan. He add that notwithstanding, the District has spent \$150,000 on the Six Mile plan. Manager Miller noted his appreciation for staff's pursuit of a good-looking and user-friendly plan. ***Upon vote the motion carried 6-0.***

Grant Agreements for Minnehaha Creek Stormwater Management and Six Mile Creek-East Auburn Stormwater Enhancement Project

Tiffany Schaufler and Anna Brown presented the staff recommendation to authorize the District to enter into a grant agreement with the Board of Water and Soil Resources for a total of \$298,472 for work related to the Minnehaha Creek Stormwater Management and the Six Mile Creek-East Auburn Stormwater Enhancement project. Ms. Schaufler explained that with regard to the work on Minnehaha Creek stormwater management, staff worked with Minneapolis Park and Recreation Board staff to identify locations for bank repair on land owned by the MPRB. The BWSR grant will allow the District to explore opportunities to align the streambank repairs with stormwater management opportunities. She said the grant requires a match of 25 percent, which amounts to \$8,988 and the resolution includes authorization for that expenditure as well.

Ms. Brown stated that the East Auburn stormwater enhancement project is a proposed stormwater management upgrade that was first presented to the managers in October 2016. The city will utilize the funds from the state on a pass-through basis from the District to add capacity to treat phosphorus in downtown Victoria that is exported from Church Lake to protect East Auburn Lake. She stated that the project will provide stormwater management beyond what would be achieved through application of regulatory requirements. She stated that the District's entering into the grant agreement is conditioned on the city entering into an agreement with the District indemnifying the

District from any responsibility for performance under the grant agreement. ***Manager Olson moved and Manager Miller seconded adoption of Resolution 17-016, authorizing the administrator to enter the grant agreement with the State of Minnesota, authorizing the expenditure of \$8,988 for the Minnehaha Creek Stormwater Management program, and authorizing the president to enter the Six Mile Creek-East Auburn subsidiary agreement on advice of counsel.*** Manager Olson noted the tremendous support in the City of Victoria for the East Auburn project. ***Upon vote the motion carried 6-0.***

Memorandum of Understanding With the City of Minneapolis and Minneapolis Park and Recreation Board for Integrated Planning for Minnehaha Creek Subwatershed

Ms. Schaufler stated that the District identified the number of sites along Minnehaha Creek that were damaged by high flows in summer 2015 that require streambank repair. She stated that the District has budgeted \$60,000 for planning projects to utilize \$500,000 in Federal Emergency Management Agency money to effect the repairs. She stated that the plan presented here will be to pursue projects with the City of Minneapolis and the MPRB that will achieve District-identified repairs in concert with city and MPRB initiatives. She stated that the project work under the proposed memorandum of understanding will involve sharing a map among the entities to identify priority areas, then developing a scope of work to be issued as the subject of a request for qualifications for the integrated planning necessary, then bringing forward a cooperative agreement among the city, District and MPRB to implement the work. James Wisker joined Ms. Schaufler and stated that in working with the city and the MPRB on coordinating Lake Hiawatha improvements staff realized that even though the District had the necessary funds to complete the work along the creek, it needed to better coordinate with the city and MPRB to plan the work. He stated that difficulties with implementation of the District's project ideas led to the development of the proposed memorandum of understanding. He stated that each of the three entities is bringing a set of work to the table for development under this collaborative scope: The District is bring the FEMA-funded repairs, MPRB is focusing on improvements to Lake Hiawatha, and the city is looking to improve flooding conditions at 50th and Chowen in the Minneapolis. He stated that the work is addressing the intersection of the entities' authority and establishes a staff policy link that has been a critical missing element in past efforts to collaborate. He stated that the proposed MOU links up planning and budgeting functions in a way that will allow the partner entities to appropriately plan for the work that will come of this effort. He noted, though, that the MOU is not binding and that project-specific agreements will need to come forward in the future to implement the work. ***Manager Shekleton moved and Manager Rogness seconded adoption of Resolution 17-017, authorizing the administrator to execute a memorandum of understanding with the City of Minneapolis and the Minneapolis Park and Recreation Board for integrated planning, authorizing staff to issue a request for qualifications for integrated planning services and authorizing staff to work with the consultant to develop a proposed scope of work***

that would come back to the Board of Managers for final selection and authorization to execute a contract. In response to a question from Manager White, Mr. Wisker stated that the District and its partners probably will not have an agreement in place to fund the work that will be the subject of the proposal until April or so. *Upon vote, the motion carried 6-0.*

Wasserman West Property Purchase

Anna Brown stated that the District has received an appraisal of the Wasserman West property that was the subject of the public hearing the managers held this evening. Ms. Brown stated that the properties in question in Victoria do not have addresses, however she identified them for purposes of a closed session for consideration of the appraisal and offer as property identification numbers 65-023-0600 and 65-023-0700 in Victoria. The managers convened in closed session to discuss the development of a purchase offer based on the appraisal received for the properties.

On reconvening in open session, the managers considered the resolution. *Manager Rogness moved and Manager Olson seconded adoption of Resolution 17-014, ordering the Wasserman West property acquisition project with closing subject to the terms and contingencies of completing property due diligence, developing a preliminary concept plan for the property and exercising a cooperative agreement with the city to secure city support for the acquisition and provide a framework for collaborative ownership and management of the property, authorizing the administrator to execute purchase agreement at a cost not to exceed \$875,000 for the two properties identified, and authorizing the administrator to take such further actions as necessary to effect the transaction and authorizing staff to develop a cooperative agreement with the City of Victoria to evaluate opportunities for projects improving water quality ecology and public access. Upon vote, the motion carried 6-0.*

Administrator's Report

Lars Erdahl indicated that he met recently with Karen Galus, who is the new Hennepin County water resources coordinator, and also had meetings recently with Senator Osmek and Jeff Johnson to discuss a dredging project. He said he met with Mark Gibbs from Redpath. He stated that the District has received a request from the Minnesota Association of Watershed Districts for a letter requesting a special meeting at its summer tour to vote on changes to the MAWD bylaws. He stated that MAWD needs at least 15 member watershed districts to request this special meeting. He also noted that the vote would require a majority of the members of MAWD to be present at the summer tour, which is in late June. Mr. Erdahl stated that if the managers wish to send the requested letter, he would bring a draft for approval to the March 9 workshop meeting. The managers discussed the proposal from MAWD, noting that they could not know whether or not to request a special meeting without knowing what the agenda would be. The

managers discussed that MAWD is considering changes to its bylaws to expand its membership. The managers directed the administrator to secure an agenda for the potential special meeting before bringing forward a letter requesting the meeting.

Mr. Erdahl continued his report noting that there has come to be something of a disagreement and controversy around maintenance of boat docks on property owned by the City of Orono on Big Island over which the District holds a conservation easement. He said the District was involved in the purchase of the land and developed a management plan in collaboration with the city. He said there has been no official communication from the city. Mr. Erdahl noted that District staff will be in attendance at the city council meeting Monday, February 27, for another matter and so will hear what the council decides on the matter, if anything. The managers discussed the District's rights under the conservation easement and requested that counsel provide a memorandum outlining the basic terms of the easement with regard to public access and docks, and to brief the managers on enforceability of the conservation easement. Manager Miller wondered whether there weren't restrictions on the use of the property given that he recalled that state bond funding was used for the acquisition.

Review of Administrator

The managers convened in closed session to conduct a review of the performance of the administrator, along with Sharon Klump from Waters and Company/Springsted.

The managers reconvened in open session.

There being no further business, the meeting was adjourned at 10:33 p.m.

Respectfully submitted,



Kurt Rogness
Secretary